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**MADE JS-6**

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

BANK OF AMERICA, N.A.

CASE NO. CV10-01901 GW (JEMx)

Plaintiff,

vs.

G&S CO., a California general  
partnership a/k/a G & S Co., a California  
general partnership; MCMAHAN'S  
FURNITURE CO. – PACOIMA, a  
California general partnership a/k/a  
McMahan's Furniture Co. of Pacoima, a  
California general partnership;  
PACOIMA LAND COMPANY, LLC, a  
California limited liability company;  
MCMAHANS OF GLENDALE, INC., a  
California corporation a/k/a McMahan's  
of Glendale Inc., a California corporation  
a/k/a McMahan's of Glendale, a  
California corporation d/b/a McMahan's  
of Glendale, Inc.; MCMAHAN'S OF  
SAN FERNANDO, a California  
corporation a/k/a McMahan's of San  
Fernando, a California corporation d/b/a  
McMahan's of San Fernando, Inc.;

**JUDGMENT AND DECREE OF  
FORECLOSURE**

1 MCMAHANS OF LANCASTER, a  
2 California corporation a/k/a McMahan's  
3 of Lancaster, a/k/a McMahan's of  
4 Lancaster, A California Corporation a/k/a  
5 McMahan's of Lancaster; MCMAHANS  
6 OF CHICO, a California corporation  
7 a/k/a McMahan's of Chico a/k/a  
8 McMahan's of Chico, A California  
9 Corporation; MCMAHANS OF  
10 MARYSVILLE, a California corporation  
11 a/k/a McMahan's of Marysville a/k/a  
12 McMahan's of Marysville, A California  
13 Corporation a/k/a McMahan's of  
14 Marysville; MCMAHAN'S OF  
15 EUREKA, A California Corporation  
16 a/k/a McMahan's of Eureka;  
17 MCMAHAN'S FURNITURE CO. –  
18 REDDING, LLC, a California limited  
19 liability company a/k/a McMahan  
20 Furniture Company – Redding a/k/a  
21 McMahan's Furniture Co. – Redding, a  
22 California Partnership a/k/a McMahan's  
23 Furniture Co.-Redding, LLC a California  
24 limited liability company;  
25 MCMAHAN'S FURNITURE CO. –  
26 KLAMATH FALLS, LLC, an Oregon  
27 limited liability company, a/k/a  
28 McMahan's Furniture Co. – Klamath Falls;  
MCMAHAN'S FURNITURE  
COMPANY – ALBANY, an Oregon  
general partnership a/k/a McMahan's  
Furniture Co. – Albany a/k/a McMahan  
Furniture Company – Albany a/k/a  
McMahan's Furniture Company –  
Albany, An Oregon Partnership a/k/a  
McMahans of Albany; MCMAHANS  
FURNITURE CO. – KERN, LLC a/k/a  
McMahans Furniture Co. - Kern, LLC, a  
California limited liability company;

1 CONSUMER SECURITY AGENCY, a  
2 California general partnership a/k/a  
3 Consumer Security Agency, LLC, a  
4 California limited liability company;  
5 JULIAN A. GANZ, JR. a/k/a Julian  
6 Angleman Ganz a/k/a Julian Ganz a/k/a  
7 Julian J Ganz a/k/a J A Ganz; JOANN  
8 GANZ a/k/a Joann S. Ganz a/k/a Joann  
9 Schaff Ganz a/k/a Jo Ann Schaaf a/k/a  
Ganz Jo Schaaf a/k/a Joann Schaaf-Ganz  
a/k/a Joann Schaa Ganz a/k/a Ganz J.  
Schaaf a/k/a Jo Ann Schaaf Ganz a/k/a Jo  
Ann Schaaf,

10 Defendants.

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13 The parties in this action having stipulated in writing, and the Court having  
14 reviewed and considered the stipulation, and finding it to be in good order and  
15 proper,

16 **IT IS ORDERED, ADJUDGED AND DECREED THAT:**

17 1. As of the date of this judgment and decree of foreclosure (the  
18 "Judgment and Decree") there is due and owing to Plaintiff Bank of America, N.A.,  
19 ("the Bank") from each of the defendants identified on Exhibit "A", attached hereto  
20 and incorporated herein by reference ("Defendants"), jointly and severally, the sum  
21 (calculated as of June 3, 2010) of \$10,073,073.40 principal, plus non-accelerated,  
22 past due interest of \$470,653.13, plus attorney fees and costs ("the Adjudicated  
23 Amount").

24 2. The Adjudicated Amount, plus any recoverable post-Adjudicated  
25 Amounts related thereto, including but not limited to post-Judgment and Decree  
26 interest and attorney fees ("the Full Adjudicated Amount"), is and shall continue to  
27 be secured by liens previously granted by the Defendants in favor of the Bank upon  
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1 both the real property identified in Exhibit "B" attached hereto and incorporated  
2 herein by reference ("the Real Property Collateral") and the personal property  
3 identified in Exhibit "C" attached hereto and incorporated herein by reference ("the  
4 Personal Property Collateral") (the Real Property Collateral and the Personal  
5 Property Collateral, collectively, "the Collateral") with priority over any interest or  
6 lien of any of the Defendants. The Bank may file or record such instruments and  
7 documents as it deems necessary or appropriate to give notice of this Judgment and  
8 Decree and protect its (and the Receiver's) interests in the Collateral. None of the  
9 Bank's existing liens or security interests on any of the Collateral are extinguished or  
10 diminished by entry of this Judgment and Decree or any proceedings or sales  
11 conducted under this Judgment and Decree, nor shall their priority on the Collateral  
12 be affected or altered by entry of this Judgment and Decree or the conduct of such  
13 proceedings or sales.

14       3. No part of the Full Adjudicated Amount may be recovered against the  
15 Defendants personally or from any of their assets, other than from the Collateral.

16       4. Upon the issuance by this Court or the court for the District of Oregon  
17 of one or more writs of sale as requested by the Bank (and in such order as the Bank  
18 may determine) with respect to any portion of the Collateral, the Collateral, or so  
19 much of it as may be necessary to satisfy the Full Adjudicated Amount, shall be sold  
20 by the levying officers of this Court or, with respect to the portion of the Collateral  
21 located in Oregon, of the United States District Court for the District of Oregon.  
22 The Bank (or its assignee) may be a purchaser at any such sale, and may credit bid  
23 any portion of the Full Adjudicated Amount at such sale insofar as the Bank in its  
24 discretion determines to bid. From the proceeds of the sale, the levying officer shall  
25 deduct the expenses of the sale, amounts sufficient to pay and satisfy any liens on  
26 that portion of the Collateral which have priority over the liens of the Bank (such as  
27 liens for property taxes on such portion of the Collateral), and then pay the

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1 remainder to the Bank on account of the Full Adjudicated Amount. If any surplus  
2 remains from sales of Collateral after satisfaction in full of the Full Adjudicated  
3 Amount, the levying officer shall pay the next funds to the holders of the second  
4 liens on the Collateral, Julian and JoAnn Ganz, and, after their liens are satisfied in  
5 full, shall pay the next proceeds to the owner of the portion of the Collateral whose  
6 sale produced the surplus.

7       5. On completion of the sale of any portion of the Collateral, the levying  
8 officer shall execute and deliver to the purchaser at the sale, and the purchaser may  
9 record, a certificate of sale to or as directed by the purchaser, who may then take  
10 possession of that portion of the Collateral, if necessary, with the assistance of the  
11 levying officer. If the Bank is the successful bidder at the sale the Bank may  
12 designate in writing to the levying officer at or after the sale an entity through which  
13 it will take the certificate of sale to that portion of the Collateral. Upon the  
14 conclusion of the sale, Defendants, and all persons claiming under them or having  
15 liens subsequent to the liens of the Bank, shall be forever barred and foreclosed  
16 from all equity of redemption in, and claim to, that portion of the Collateral and  
17 every part of it, Defendants having waived their rights of redemption and all notices  
18 in respect thereto by their Stipulation filed concurrently herewith.

19       6. With respect to the Real Property Collateral located in California, the  
20 Bank may in its discretion, but is not required to, proceed with fair value hearings  
21 pursuant to California Code of Civil Procedure Sec. 726, and with respect to the  
22 Real Property Collateral located in Oregon, the Bank may in its discretion, but is not  
23 required to proceed with any applicable post-Judgment and Decree procedures to  
24 establish value of Collateral under Oregon law, in the event the Bank forecloses on  
25 any of the Real Property Collateral pursuant to paragraphs 4 and 5 hereof.

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1       6. In addition to the procedures set forth in paragraphs 4 and 5 hereof, in  
2 the Bank's discretion, it may seek recovery of the Full Adjudicated Amount by the  
3 following:

4           (a) Any part, or all, of the Collateral may be collected, assigned, sold or  
5 otherwise disposed of pursuant to laws and procedures for non-judicial foreclosure  
6 in the *situs* of such Collateral, in any order, and in one or more separate or unified  
7 sales.

8           (b) Any part, or all, of the Collateral, or as much as may be necessary  
9 or as much as the Bank determines to be appropriate, may be sold by the Receiver  
10 appointed by this Court by order entered June 3, 2010 ("the Receiver") in  
11 accordance with the provisions of the Stipulation for Order Appointing Receiver and  
12 Preliminary Injunction; Order Thereon entered herein on June 3, 2010 as Docket  
13 Nos. 43 and 48 (the "Receivership and Preliminary Injunction Order").

14       6. The Receivership and Preliminary Injunction Order shall remain  
15 in full force and effect until the earlier of the payment in full of the Full Adjudicated  
16 Amount and the Discharge of the Receiver. The Receiver shall retain the full  
17 powers, duties and immunities afforded by the Receivership and Preliminary  
18 Injunction Order and is authorized to take any actions as provided in the  
19 Receivership and Preliminary Injunction Order to protect, maintain or sell the  
20 Collateral or any portion thereof, or in aid of the Bank's or any levying officer's  
21 execution on this Judgment and Decree.

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1       7. The Preliminary Injunction contained in the Receivership and  
2 Preliminary Injunction Order is hereby made a permanent injunction effective until  
3 the later of the satisfaction of the Full Adjudicated Amount or the discharge of the  
4 Receiver as provided in the Receivership and Preliminary Injunction Order.

6 | Dated: June 21, 2010

George K. Wm

George H. Wu  
United States District Judge

**EXHIBIT "A"**

G&S Co., a California general partnership a/k/a G & S Co., a California general partnership.

McMahan's Furniture Co. – Pacoima, a California general partnership a/k/a  
McMahan's Furniture Co. of Pacoima, a California general partnership.

Pacoima Land Company, LLC, a California limited liability company.

McMahans of Glendale, Inc., a California corporation a/k/a McMahan's of Glendale Inc., a California corporation a/k/a McMahans of Glendale, a California corporation d/b/a McMahans of Glendale, Inc.

McMahan's of San Fernando, a California corporation a/k/a McMahans of San Fernando, a California corporation d/b/a McMahans of San Fernando, Inc.

McMahans of Lancaster, a California corporation a/k/a McMahan's of Lancaster, a/k/a McMahan's of Lancaster, A California Corporation a/k/a McMahans of Lancaster.

McMahans of Chico, a California corporation a/k/a McMahan's of Chico a/k/a  
McMahan's of Chico, A California Corporation.

McMahans of Marysville, a California corporation a/k/a McMahan's of Marysville a/k/a McMahan's of Marysville, A California Corporation a/k/a McMahans of Marysville.

McMahan's of Eureka, a California Corporation a/k/a McMahan's of Eureka,  
McMahan's Furniture Co. – Redding, LLC, a California limited liability  
company a/k/a McMahan Furniture Company – Redding a/k/a McMahan's Furniture  
Co. – Redding, a California Partnership a/k/a McMahan's Furniture Co.-Redding,  
LLC a California limited liability company.

McMahans's Furniture Co. – Klamath Falls, LLC, an Oregon limited liability company, a/k/a McMahan's Furniture Co. – Klamath Falls, An Oregon Partnership a/k/a McMahans Furn Co – Klamath Falls.

1       McMahan's Furniture Company – Albany, an Oregon general partnership  
2 a/k/a McMahan's Furniture Co. – Albany a/k/a McMahan Furniture Company –  
3 Albany a/k/a McMahan's Furniture Company – Albany, An Oregon Partnership  
4 a/k/a McMahans of Albany.

5       McMahans Furniture Co. – Kern, LLC a/k/a McMahans Furniture Co. - Kern,  
6 LLC, a California limited liability company.

7       Consumer Security Agency, a California general partnership a/k/a Consumer  
8 Security Agency, LLC, a California limited liability company,

9       Julian A. Ganz, Jr. a/k/a Julian Angleman Ganz a/k/a Julian Ganz a/k/a Julian  
10 J Ganz a/k/a J A Ganz.

11       Joann Ganz a/k/a Joann S. Ganz a/k/a Joann Schaff Ganz a/k/a Jo Ann Schaaf  
12 a/k/a Ganz Jo Schaaf a/k/a Joann Schaaf-Ganz a/k/a Joann Schaa Ganz a/k/a Ganz J.  
13 Schaaf a/k/a Jo Ann Schaaf Ganz a/k/a Jo Ann Schaaf.

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**EXHIBIT "B"**  
**REAL PROPERTY COLLATERAL**

43364 10th Street West, Lancaster, California 93534

APN: 3128-003-037

Real property in the City of Lancaster, County of Los Angeles, State of California, described as follows:

## PARCEL 1:

THE NORTH HALF OF THE NORTH HALF OF THE  
NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 7  
NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN  
THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,  
ACCORDING TO THE OFFICIAL PLAT OF SAID LAND  
APPROVED BY THE SURVEYOR GENERAL ON JUNE 10, 1956

APPROVED BY THE SURVEYOR GENERAL ON JUNE 19, 1856.  
SAID LAND IS SHOWN AS A PORTION OF LOT "A" AND  
STREET ADJOINING ON MAP OF TRACT NO. 705.

## PARCEL 2:

THE SOUTH ONE-HALF OF THE NORTH HALF OF THE  
NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
THE NORTHWEST QUARTER OF SECTION 27; TOWNSHIP 7  
NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN,  
ACCORDING TO THE OFFICIAL PLAT OF SAID LAND  
APPROVED BY THE SURVEYOR GENERAL ON JUNE 19, 1856

APPROVED BY THE SURVEYOR GENERAL ON JUNE 19, 1850.  
SAID LAND IS SHOWN AS A PORTION OF LOT "A" AND  
STREET ADJOINING ON MAP OF TRACT NO. 705.

1 1570 Charles Drive, Redding, California 96003

2 APN: 114-330-036

3 Real property in the City of Redding, County of Shasta, State of California,  
4 described as follows:

5 PARCEL I:

6 ALL BUILDINGS AND IMPROVEMENTS, WHICH ARE AND  
7 SHALL REMAIN REAL PROPERTY SITUATED ON THE FOLLOWING  
8 DESCRIBED REAL PROPERTY:

9 BEING PARCEL 3 AS SHOWN ON THAT CERTAIN  
10 PARCEL MAP #LS-65-88, RECORDED IN BOOK 27 OF PARCEL  
11 MAPS AT PAGE 22, SHASTA COUNTY RECORDS, AND  
12 PARCEL 16 AS SHOWN ON THAT CERTAIN PARCEL MAP #9-  
13 79 RECORDED IN BOOK 21 OF PARCEL MAPS AT PAGE 47,  
14 SHASTA COUNTY RECORDS, SITUATE IN THE NORTHEAST  
ONE-QUARTER OF SECTION 13, TOWNSHIP 32 NORTH,  
RANGE 5 WEST, M.D.M., IN THE CITY OF REDDING, SHASTA  
COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED  
AS FOLLOWS:

15 BEGINNING AT THE SOUTHEAST CORNER OF SAID  
16 PARCEL 16; THENCE ALONG THE SOUTH LINE OF SAID  
17 PARCEL 16, SOUTH 88°57'55" WEST, A DISTANCE OF 267.93  
18 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 16;  
19 THENCE ALONG THE WEST LINE OF SAID PARCEL 16, NORTH  
01°02'05" WEST, A DISTANCE OF 345.00 FEET TO THE  
20 NORTHWEST CORNER OF SAID PARCEL 16, SAID CORNER  
21 ALSO BEING THE SOUTHWEST CORNER OF SAID PARCEL 3;  
22 THENCE ALONG THE WEST LINE OF SAID PARCEL 3, NORTH  
01°02'05" WEST, A DISTANCE OF 228.93 FEET TO THE  
23 NORTHWEST CORNER OF SAID PARCEL 3; THENCE ALONG  
24 THE NORTH LINE OF SAID PARCEL 3, NORTH 88°57'55" EAST,  
25 A DISTANCE OF 268.01 FEET TO THE NORTHEAST CORNER  
26 OF SAID PARCEL 3; THENCE ALONG THE EAST LINE OF SAID  
27 PARCEL 3, SAID LINE ALSO BEING THE WEST LINE OF  
28 CHARLES DRIVE AS SHOWN ON SAID PARCEL MAP #LS-65-  
88, SOUTH 01°02'05" EAST, A DISTANCE OF 228.96 FEET TO  
THE SOUTHEAST CORNER OF SAID PARCEL 3, SAID CORNER  
ALSO BEING THE NORTHEAST CORNER OF SAID PARCEL 16;  
THENCE ALONG THE EAST LINE OF SAID PARCEL 16, SAID

1 LINE ALSO BEING THE WEST LINE OF CHARLES DRIVE AS  
2 SHOWN ON SAID PARCEL MAP #9-79, SOUTH 01°02'05" EAST,  
3 A DISTANCE OF 345.00 FEET TO THE POINT OF BEGINNING.

4 PARCEL II:

5 THE LAND SITUATED IN THE STATE OF CALIFORNIA,  
6 COUNTY OF SHASTA, CITY OF REDDING, WHICH IS  
7 DESCRIBED AS FOLLOWS:

8 BEING PARCEL 3 AS SHOWN ON THAT CERTAIN  
9 PARCEL MAP #LS-65-88, RECORDED IN BOOK 27 OF PARCEL  
10 MAPS AT PAGE 22, SHASTA COUNTY RECORDS, AND  
11 PARCEL 16 AS SHOWN ON THAT CERTAIN PARCEL MAP #9-  
12 79 RECORDED IN BOOK 21 OF PARCEL MAPS AT PAGE 47,  
13 SHASTA COUNTY RECORDS, SITUATE IN THE NORTHEAST  
14 ONE-QUARTER OF SECTION 13, TOWNSHIP 32 NORTH,  
15 RANGE 5 WEST, M.D.M., IN THE CITY OF REDDING, SHASTA  
16 COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED  
17 AS FOLLOWS:

18 BEGINNING AT THE SOUTHEAST CORNER OF SAID  
19 PARCEL 16; THENCE ALONG THE SOUTH LINE OF SAID  
20 PARCEL 16, SOUTH 88°57'55" WEST, A DISTANCE OF 267.93  
21 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 16;  
22 THENCE ALONG THE WEST LINE OF SAID PARCEL 16, NORTH  
23 01°02'05" WEST, A DISTANCE OF 345.00 FEET TO THE  
24 NORTHWEST CORNER OF SAID PARCEL 16, SAID CORNER  
25 ALSO BEING THE SOUTHWEST CORNER OF SAID PARCEL 3;  
26 THENCE ALONG THE WEST LINE OF SAID PARCEL 3, NORTH  
27 01°02'05" WEST, A DISTANCE OF 228.93 FEET TO THE  
28 NORTHWEST CORNER OF SAID PARCEL 3; THENCE ALONG  
THE NORTH LINE OF SAID PARCEL 3, NORTH 88°57'55" EAST,  
A DISTANCE OF 268.01 FEET TO THE NORTHEAST CORNER  
OF SAID PARCEL 3; THENCE ALONG THE EAST LINE OF SAID  
PARCEL 3, SAID LINE ALSO BEING THE WEST LINE OF  
CHARLES DRIVE AS SHOWN ON SAID PARCEL MAP #LS-65-  
88, SOUTH 01°02'05" EAST, A DISTANCE OF 228.96 FEET TO  
THE SOUTHEAST CORNER OF SAID PARCEL 3, SAID CORNER  
ALSO BEING THE NORTHEAST CORNER OF SAID PARCEL 16;  
THENCE ALONG THE EAST LINE OF SAID PARCEL 16, SAID

1 LINE ALSO BEING THE WEST LINE OF CHARLES DRIVE AS  
2 SHOWN ON SAID PARCEL MAP #9-79, SOUTH 01°02'05" EAST,  
3 A DISTANCE OF 345.00 FEET TO THE POINT OF BEGINNING.

4 EXCEPTING THEREFROM ALL BUILDINGS AND  
5 IMPROVEMENTS, WHICH ARE AND SHALL REMAIN REAL  
6 PROPERTY.

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1 2445 W. Harvard Avenue, Roseburg, Oregon 97470

2 Tax Parcel Number: R14209

3 Real Property in the County of Douglas, State of Oregon, described as  
4 follows:

5 That portion of the Northeast quarter of the Northwest quarter of  
6 Section 23, Township 27 South, Range 6 West of the Willamette  
7 Meridian, City of Roseburg, County of Douglas and State of Oregon,  
8 described as follows: BEGINNING at a point on the South line of  
9 Harvard Avenue, which is South 865.0 feet North 88° 02' East 80.4  
feet and North 88° 08' East 523.79 feet from the Northwest corner of  
the John Leiser Donation Land Claim No. 53, In Township 27 South,  
Range 6 West, Willamette Meridian, said point being the Northeast  
corner of lands conveyed to Marks, Inc., as recorded in Volume 259,  
Recorder's No. 222697, Deed Records of Douglas County, Oregon;  
thence South 1° 07' 30" East 406.42 feet along the East line of said  
Marks Inc. lands; thence North 87° 38' East 95.96 feet to the Southwest  
corner of Pleasant View, Douglas County, Oregon; thence North 1° 02'  
West along West line of Pleasant View, 406.0 feet to a point on the  
South line of Harvard Avenue; thence South 88° 08' West along said  
South line 104.0 feet to the point of beginning.

17 EXCEPTING THEREFROM that portion as conveyed to the  
18 City of Roseburg for Harvard Avenue widening, and more particularly  
19 described in Deed recorded August 10, 1972, in Book 500, records of  
Douglas County, Oregon, Recorder's No. 72-11371.

1 6320 South 6th Street, Klamath Falls, Oregon 97603

2 Tax Parcel Number: R508105  
3 Real property in the County of Klamath, State of Oregon, described as follows:

4 Parcel 1:

5 A tract of land described as follows: Beginning at an iron pin  
6 which marks the Northeast corner of Tract 63 of Roland Park and  
7 which iron pin lies North 0°51' West along the 40 line a distance of  
8 542.3 feet and North 89°09' East a distance of 287.2 feet from the iron  
9 axle which marks the Southwest corner of the NE 1/4 SW 1/4 of  
10 Section 1, Township 39 South, Range 9 East of the Willamette  
11 Meridian, and running thence North 45°09' East a distance 299.6 feet to  
12 an iron pin which lies on the Southwesterly right of way line of the  
13 State Highway, 40 feet at right angles from the brass plug in the center  
14 line of the highway; thence in a Northwesterly direction following  
15 3°11' curve to the left along the Southwesterly right of way line of the  
16 State Highway a distance of 150 feet (the long chord of this curve bears  
17 North 48°32' West a distance of 149.96 feet) to an iron pin; thence  
18 South 45° 09' West a distance of 221.6 feet to an iron pin; thence South  
19 20°18' East a distance of 164.5 feet, more or less, to the point of  
20 beginning, said tract being a portion of the NE 1/4 SW 1/4 of Sec. 1,  
21 Twp. 39 S., R. 9 E.W.M., and

22 Beginning at an iron pin which marks the Southeast corner of  
23 Tract 63, Roland Park, and which iron pin lies North 0°51' West along  
24 the 40 line a distance of 462.3 feet and North 89°09' East a distance of  
25 262.2 feet from the iron axle which marks the Southwest corner of the  
26 NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the  
27 Willamette Meridian, and running thence North 16°33' East along the  
28 Easterly line of above mentioned Tract 63, a distance of 83.8 feet to an  
iron pin; thence North 45°09' East a distance of 299.6 feet to an iron  
pin on the Southerly right of way line of the Klamath Falls-Lakeview  
Highway; thence following the Southerly right of way line of the  
highway the following bearings and distances; South 46°09' East a  
distance of 13.5 feet to an iron pin; thence North 43°51' East a distance  
of 10 feet to an iron pin; and South 46°09' East a distance of 216.5 feet  
to an iron pin; thence South 43°51' West a distance of 384 feet to an  
iron pin; thence North 46° 09' West a distance of 198.4 feet more or

1 less to the point of beginning, said tract in the NE 1/4 SW 1/4 of  
2 Section 1, Township 39 South, Range 9 East of the Willamette  
3 Meridian.

4 EXCEPTING THEREFROM, that tract conveyed to the State of  
5 Oregon in Deed recorded January 11, 1972 in Volume M-72 on page  
6 342, Deed records of Klamath County, Oregon.

7 Parcel 2:

8 A tract of land situated in the NE 1/4 SW 1/4 of Section 1,  
9 Township 39 South, Range 9 East of the Willamette Meridian, Klamath  
10 County, Oregon, being more particularly described as follows:

11 Beginning at a point situated N. 00°51' W 462.3 feet, N. 89°06' E.  
12 262.2 feet, and S. 46°09' E. 198.4 feet from the Southwest corner of the  
13 said NE 1/4 SW 1/4 of Section 1; thence continuing S. 46°09' E. 106.00  
14 feet; thence N. 43°51' E. 150.00 feet; thence N. 46°09' W. 106.00 feet;  
15 thence S. 43°51' W. 150.00 feet to the point of beginning, containing  
16 0.37 acres, with bearings based on recorded Survey No. 625, as  
17 recorded in the office of the Klamath County Surveyor.

**EXHIBIT "C"**  
**PERSONAL PROPERTY COLLATERAL**

## **2003 Standing Loan Agreement**

- (a) All accounts, contract rights, chattel paper, instruments, deposit accounts, and general intangibles, including all amounts due to the Pledgor from an account party; and all returned or repossessed goods, which, on sale or lease, resulted in an account or chattel paper.
- (b) All of the deposit accounts with the Bank. The Collateral shall include any renewals or rollovers of the deposit accounts, any successor accounts, and any general intangibles and choses in action arising therefrom or related thereto.
- (c) All rights to payment of money from Bank under any swap contract and all other accounts, general intangibles and other goods underlying, embodied in or related to any Swap Contract.
- (d) All instruments, notes, chattel paper, documents, certificates of deposit, liens, security agreements, leases and other contracts securing or otherwise relating to any of the foregoing Collateral.
- (e) All substitutes or replacements for any of the foregoing Collateral, all cash or non-cash proceeds, product, rents and profits of any of the foregoing Collateral, all income, benefits and property receivable on account of the foregoing Collateral, all rights under warranties and insurance contracts covering the foregoing Collateral, and any causes of action relating to the foregoing Collateral.
- (f) All books and records pertaining to any Collateral, including, but not limited to any computer readable memory and any computer hardware or software necessary to process such memory

## **Revolving Loan Agreement**

- (a) all Accounts;
- (b) all Chattel Paper, including electronic chattel paper;
- (c) all Commercial Tort Claims;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all General Intangibles, including Payment Intangibles, Software and Intellectual Property;
- (g) all Goods, including Inventory, Equipment and fixtures;
- (h) all Instruments;
- (i) all Investment Property;
- (j) all Letter-of-Credit Rights;
- (k) all Supporting Obligations;
- (l) all monies, whether or not in the possession or under the control of Plaintiff or any Affiliate of Plaintiff, including any Cash Collateral;
- (m) all accessions to, substitutions for, and all replacements, products, and cash and non-cash proceeds of the foregoing, including proceeds of and unearned premiums with respect to insurance policies, and claims against any Person for loss, damage or destruction of any Collateral; and
- (n) all books and records (including customer lists, files, correspondence, tapes, computer programs, print-outs and computer records) pertaining to the foregoing.